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File Copy20th September, 1960.COCOM Document No. 4139COORDINATING COMMITTEERECORD OF DISCUSSIONONPROPOSED ITALIAN EXPORT OF BORON PRODUCTSTO CZECHOSLOVAKIA8th September 1960

Present: Belgium(Luxembourg), France, Germany, Italy, Japan, Netherlands, Norway, Turkey, United Kingdom, United States.

References: COCOM Documents 3232, 4084, 4100 and 4112.

1. The UNITED STATES Delegate referred to the proposed Italian export of boron products to Czechoslovakia as set forth in COCOM Documents 4084 and 4100 and to the record of discussion set forth in COCOM Document 4112. He noted that, in putting forward his Delegation's proposal with regard to International List Item 1715 (COCOM Document 3717.15/5) he had emphasized the United States view that boron continued to possess high strategic significance. It would be recalled that this United States proposal specified certain requirements such as (1) the exporting government should be convinced that the shipment would not be re-exported, (2) evidence of specific end-use and (3) a clear demonstration of the receipt of boron-contained imports from the Bloc destination equivalent to the quantity of boron proposed for export.

2. With regard to the Italian proposal, the United States authorities believed that such a shipment would appear to make a significant contribution to Soviet Bloc strategic potential and that adequate justification for such an export had not been adduced. The Delegate observed that, as indicated by the United States proposal for an Administrative Note for Item 1715, his authorities believed that more adequate justification for such an export should include, along with the other specified requirements, a clear demonstration that the exporting country, during the calendar year, had received or would be receiving from the Sino-Soviet Bloc destination concerned imports which contained an amount of boron equivalent to that being exported. He noted that, in a recent case (COCOM Documents 4042, 4069 and 4106) the United Kingdom Delegation had shown that 300 tons of boric acid proposed for export were to be used for the production of 1500 tons of glass marbles in Czechoslovakia, and that a single United Kingdom firm would import about that quantity of glass marbles from Czechoslovakia during 1960. Thus, the Czech supply of boric acid would not be increased by the United Kingdom shipment, which could be regarded as boron shipped for processing and return. The current Italian proposal, on the other hand, referred in general terms to boron use in civilian products (enamel, glassware, etc.) which Italy intended to import, but failed to provide details as to specific imports into Italy in 1960 which would contain a quantity of boron equivalent to that being exported. The United States authorities would of course be willing to give careful study to any further information which the Italian Delegation might wish to present. In conclusion, the Delegate stated that the Italian Delegation, as well as the Italian authorities in Rome, had been informed of the United States views during the Committee's summer recess.

3. The GERMAN Delegate pointed out, in reply to the above statement, that the United States proposal concerning boron exports was still under discussion and had not as yet been agreed in the Committee. Item 1715 would cer-

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tainly be given full consideration in the forthcoming List Review, especially in view of an earlier United Kingdom statement as to the necessity of a re-assessment of the strategic importance of boron products, to which the German authorities were giving careful study. Turning to the particular Italian case under consideration, the Delegate noted that during the previous discussion (COCOM Document 4112) the Italian Delegation had asked his Delegation to reconsider the question of quantity. After further study, the German authorities were now able to agree to the export of the whole quantity of boron products, i.e. 500 tons. As previously stated with respect to the recent United Kingdom case (COCOM Document 4069), the German authorities were ready to approve this export on the understanding that applications from other countries would receive similar favourable consideration.

4. The ITALIAN Delegate welcomed his German colleague's statement. He noted that the latter had already stated in paragraph 3 of COCOM 4112 that the German authorities had no objection to the export of up to 300 tons on the understanding that, within the framework of their Trade Agreement with Czechoslovakia, Italy would receive deliveries of goods having corresponding boron contents. The Italian Delegation had already given such assurances in COCOM Document 4100. Turning to the United States Delegate's comments, the Delegate explained that his authorities had received them on the 24th August only. They had studied the matter and had undertaken to provide fuller details on the transaction in time for the next meeting. The Delegate noted that the United States Delegation had approved the United Kingdom export on the grounds that it amounted to a customs processing case, and pointed out that his Government's request provided similar guarantees as to processing and return.

5. The UNITED STATES Delegate undertook to refer to his authorities the additional information to be supplied by the Italian Delegation. Turning to his German colleague's remarks, he fully agreed that the United States proposal was still to be discussed in the Committee, and that this proposal therefore had no official status at the present time. Nevertheless, this proposal did indicate considerations which influenced the judgement of the United States authorities with regard to the strategic significance of proposed boron exports. He believed this to be perfectly reasonable, since it was obvious that the extent to which an export added to Bloc stockpiles was a factor of major importance. He emphasized that, in the United States view, boron continued to possess high strategic importance. Finally, he pointed out that the Italian Delegation had itself earlier alluded to the United States proposal (COCOM 4084).

6. The CHAIRMAN noted that the Italian Delegation would supply additional information as soon as possible and that the United States Delegation would give further views upon receipt of such information.

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